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SUBJECT: BAHRAINI ENGAGEMENT ON IRAQ: WHAT ELSE CAN WE DO?

REF: A. STATE 181228

¶B. 05 MANAMA 1813

Classified By: Ambassador William T. Monroe for reasons 1.4 (b) and (d)

Summary

11. (S) As the only Arab country other than Iraq that has a Shia majority population, Bahrain is very worried about the situation in Iraq and watches closely for signs that increased sectarian tensions and violence in Iraq could spill over into Bahrain. To become more actively engaged with Iraq, the GOB would like the Iraqi government to reach out to its Arab neighbors to request assistance. The USG can use the recently launched Gulf Security Dialogue as a forum for addressing specific steps the Bahrainis can take in Iraq. Bahrain wants the Arab League initiative to hold a meeting in Iraq to be activated because it represents the best mechanism for generating broad Arab engagement with Iraq. Bahrain is best positioned to offer in-kind assistance to Iraq in the form of financial sector training and as a location for business and investment related activities, leveraging its open economy and free trade agreement with the United States. Bahrain believes Syria has to make a choice about which camp it wants to be in - that of Arab moderates or that of the rejectionists. Bahrain's greatest concern regarding Syria is the SARG's relationship with Iran, but Iraq also figures into Bahrain's thinking. The GOB believes Iran is infiltrating all aspects of Iraqi life, making Arabs apprehensive. Bahrain would welcome signs that the Iraqi government is looking out for the interests of all Iraqis and is operating in a less sectarian manner. End Summary.

Linkage Between Situations in Iraq and Bahrain

12. (S) Bahrain is deeply concerned about the situation in Iraq. As the only other Arab country with a Shia majority population, it considers sectarian tensions and violence in Iraq to be a threat to sectarian relations in Bahrain. Relations between the Sunni and Shia communities have been strained as a result of the February 2006 Samarra bombing and continued escalating ethnic violence in Iraq, nd now by

events related to Bahrain's parliamentry and municipal council elections, set for Noveber 25 and December 2. Bahrain's other concern rlated to Iraq is also sectarian in nature: Iranian meddling and influence inside Iraq and the impications for further Iranian projection of power ad influence in the Gulf region.

Iraq Should Reach Out o Arab Neighbors

- 13. (S) Bahrain has been supportive of US. policy in Iraq an has publicly welcomed eachstep in Iraq's democratic progression. It has then a number of important measures to assist Ira while remaining wary of being too closely associted with any of Iraq's sectarian or political factors while continuing to look for signs and reassrance of the GOI's commitment to represent the cuntry as a whole. Like other Arab countries, Barain strongly believes in preserving Iraq's territorial integrity. During a November 6 meeting covering several subjects (septels), Foreign Minister Shaikh Khalid bin Ahmed Al Khalifa complained to the Ambassador that the Iraqi government was still not reaching out for assistance from its Arab neighbors. The Bahrainis strongly believe that the Iraqi government should approach it and other friendly Arab governments to request support and help. Bahraini officials repeatedly comment that the GOB could provide support to Iraq, but the Iraqi government has never made a specific request.
- 14. (S) Shaikh Khalid indicated that Ambassador Khalilzad had asked during a meeting on the margins of the UNGA in New York for the Bahraini government to become more active with Iraq's Sunnis. He said he had replied that he cannot just talk to Sunnis, he needs to talk to Iraq proper; that is, the government. It would play right into Iran's game for the Arabs to deal only with the Sunnis while Iran works with the Shia. It is not right to polarize the situation any further, he said.

Dealing with Security in Iraq

15. (S) During meetings with several USG delegations over the past few months, King Hamad and Crown Prince Salman have emphasized that U.S. forces should not be providing basic security in Iraq. If U.S. forces in Iraq pulled back, the various factions will be "too scared" to fight each other, the King said, whereas with the U.S. presence, they are free to fight. In the CP's view, the United States should pull back to a "less forward-leaning position" in Iraq. This would have multiple benefits: it could result in (a) shoring up public support in the United States for continued military engagement in Iraq; (b) forcing the Iraqis to take more responsibility for their own security; and (c) putting the GOI into the position of having to request assistance from its Arab neighbors - not Iran - something it had not yet done. He warned that the period of transition from U.S. to Iraqi personnel handling security responsibilities could be difficult, with continued or escalated violence, but necessary.

U.S. Approach to GOB on Iraq

16. (S) The GOB greatly appreciates USG consultations on regional issues, including Iraq. The recently launched Gulf Security Dialogue represents a logical forum for continued engagement and identification of specific actions Bahrain can take in support of Iraq. Contributing to Bahrain's wariness about engaging more actively with Iraq is its caution that it not get ahead of other Arab countries. According to Shaikh Khalid, the Arab League (AL) initiative to hold a meeting in Iraq should be activated because it represents the best mechanism for generating broad Arab engagement with Iraq. Once this process is active, Bahrain can work more closely

with Iraq on a government-to-government basis without having to look over its shoulder to see what its neighbors think. He noted there was talk of holding a ministerial meeting for Iraq's neighbors, Bahrain, Egypt, and Algeria to take place in Cairo on November 20, immediately following the GCC ministerial. The Crown Prince told a USG delegation recently that PM Maliki should visit key regional Arab countries, especially Saudi Arabia and Egypt, to develop relationships with their leaders. He thought it could be useful for Ambassador Khalilzad to accompany Maliki on these visits.

Bahraini Assistance to Iraq

- 17. (S) Bahrain has a track record of engagement on Iraq. It actively participated in Operation Iraqi Freedom. It has attended all of the Iraq Neighbors meetings. It has kept its Baghdad Embassy open, albeit with Iraqi staff only, despite its Charge d'Affaires being seriously injured in a July 2005 assassination attempt. It pledged and donated \$10 million in support at the 2004 Iraq Reconstruction Conference in Madrid.
- 18. (S) Shaikh Khalid told the Ambassador that Iraqi Vice President Tareq Al Hashimi would likely visit Bahrain by mid-November, although the date was not yet fully confirmed. Foreign Minister Zebari will visit at the end of November. Iraq intends to send a senior delegation to the December 8-10 IISS Gulf Dialogue conference in Bahrain. Later this month, the Bahrain Institute for Banking and Finance will host training for a group of Iraqi central bankers delivered by Federal Reserve and IMF experts. The Iraqi ambassador to Bahrain announced November 1 that the first Gulf Iraqi Expo, focusing on Iraq's \$100 billion rebuilding program, will take place in Bahrain March 24-26, 2007. A group of some 50 Iraqi children suffering from a variety of ailments came to Bahrain in October for free medical treatment.
- 19. (S) As a post-petroleum economy, Bahrain does not have the financial ability to offer meaningful financial assistance. Likewise for security assistance, as Bahrain's own military and security forces are largely composed of expatriate personnel from other Arab and South Asia countries. It is best positioned to offer in-kind assistance in the form of financial sector training and as a location for business and investment related activities, leveraging its open economy and free trade agreement with the United States. It could possibly expand into new areas, such as how to work with the United States to liberalize trade through a TIFA Council or free trade agreement, if this is a track we want to pursue with Iraq. Bahrain previously served as the location for the training of 4,000 Iraqi civil defense fire fighters by an American contractor, and could do so again.

Syria: Whose Side Are You On?

110. (S) Bahrain believes that Syria has to make a decision about which camp it wants to be in - that of Arab moderates or that of the rejectionists. MFA Assistant Under Secretary Shaikh Abdul Aziz bin Mubarak Al Khalifa told us that Shaikh Khalid had visited Damascus October 12 at the instruction of the King to deliver a message that the Arabs would take up the Golan cause with full commitment if they observed Syria cooperating on all matters in the Middle East and Arab world. The message emphasized that the Arabs' greatest concern is Syria's relationship with Iran, but Iraq also figured into Bahrain's thinking. The Arabs would only take up the Golan issue when Syria demonstrated its understanding of the threat Iran poses to Bahrain and other moderate countries. Syrian President Asad reportedly listened but made no commitments.

Iran Infiltrating All Aspects of Iraqi Life

about engaging more actively with Iraq comes as a result of fear of Iran's active role inside Iraq. Shaikh Khalid told the Ambassador that Iran was infiltrating all aspects of Iraqi life, making Arabs feel uncomfortable. The sectarian violence and increasing cantonization of Iraqi society serve to solidify Iranian influence with Iraqi Shia, in the view of Bahraini officials. The GOB would welcome signs that the Iraqi government was looking out for the interests of all Iraqis and was operating in a less sectarian manner. Thus the importance Bahrain places on the GOI reaching out to the Arab countries. An Iraqi government confident and representative enough to deal with Arab governments in a normal way could be viewed as being sufficiently independent of Iranian influence.

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